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TO: Beth Egan DATE: August 13, 1990
FROM: Paul Degener *PD*
SUBJECT: BUCKS Sampling Update/Revised Recommendation

This provides an update on the status of the Bucks Sampling program, including a recommendation to revise target reach.

Overview

Bucks brand will launch nationally October 1. The goal of the sampling effort during weeks 5-8 of the launch is to gain the highest possible trial and awareness among contemporary adults (21 - 44 yrs. old), male, price conscious smokers of both full margin & PV brands.

Objective

To maximize the investment of manpower and financial resources and sample a maximum target group among a qualified population of smokers at semi-public "gathering" locations.

Recommendation

Distribution of up to 2.6 Million sample 6's to smokers at local events and other locations (where permitted) in the fifty-five selected markets by Phoenix Marketing personnel.

Rationale

- ° The current sampling environment is severely handicapped by a variety of factors:
 - Federal, State, and Local statutes and legal restrictions (as of June NYC & Cleveland, OH have been added to the markets that prohibit sampling)
 - Public political/media anti-tobacco sentiment
 - PM USA agreements in some mkts. w/retail tobacco kiosk outlets (Chicago)
 - Competitors sampling multiple products to unqualified consumers causing added backlash.

These factors make conducting a quality Bucks launch sampling program on a large scale very difficult.


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Discussion/Update

• Legal Review

We are awaiting a written opinion from Legal on the program, preliminary indications are they have approved the program parameters with strict adherence to consumer qualification (smoker, 21 yrs. of age), following Tobacco Institute and PM USA Guidelines, and eliminating restricted markets. Written opinion due tomorrow.

• Contract Agreement

As part of the above activity, Legal is preparing a contract for distributing 2,635,000 sample 6's in 55 markets for the price of \$825,500. plus "pass through" charges of warehouse rental, Fed Ex, and any incremental insurance coverage or municipal fees. (Anticipated total not to exceed add'l 15%)

• Target Reach

The selected sampling agency has advised that a 4MM target is unattainable due to population/# smokers in the markets chosen and other handicaps listed; their estimation is a maximum 2.6MM qualified/unduplicated smokers are reachable. Particularly as sampling will need to be pre-arranged and authorized at many quasi-public locations.

• Sampler Uniforms

We are currently developing a uniform recommendation w/ assistance from Events group, and will have a recommendation by 8/24.

• Sampling Manual

The preparation of a sampling manual will also include materials from the manual already drafted by Events, however we will be sure to coordinate with Sales Training (H. Glastein).

If I can provide anything further please give me a call. We will keep you advised of any additional developments.

cc: M. Antonoff
A. Goldfarb
J. Spector

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